

RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

MEETING OF DIRECTORS

PUBLIC SESSION

AUGUST 23, 2004

The Board of Directors of the Rhode Island Economic Development Corporation (the "Corporation") met on Monday, August 23, 2004, in Public Session, at 4:00 p.m., at the offices of the Rhode Island Economic Development Corporation located at One West Exchange Street, Providence, Rhode Island, pursuant to notice of the meeting to all Directors, and public notice of the meeting, a copy of which is attached hereto, as required by the By-Laws of the Corporation and applicable Rhode Island law.

The following Directors, constituting a quorum, were present and participated throughout the meeting as indicated: Governor Donald L. Carcieri, Mr. Frank Montanaro, Representative Melvoid Benson, Representative Joseph A. Trillo, Mr. George Shuster, Mr. Joshua Miller, and Ms. Alma Green.

Directors absent: Ms. Barbara Jackson, Senator William Walaska, Senator Kevin Breene, Mr. Keith Stokes and Mr. Doug Sgarro.

Also present were: Executive Director Michael McMahon, members of the Corporation's staff and Attorney Robert I. Stolzman.

Governor Donald L. Carcieri presided over the meeting and Attorney Robert I. Stolzman acted as Secretary.

1. CALL TO ORDER

Governor Carcieri called the meeting to order at 4:05 p.m.

2. APPROVAL OF THE MINUTES OF THE MEETING HELD ON JULY 26, 2004

Upon motion duly made by Representative Trillo and seconded by Mr. Shuster, the following vote was adopted:

VOTED: To approve the Minutes of the Meeting held on July 26, 2004, as presented to the Board this date.

Voting in favor of the foregoing were: Governor Carcieri, Mr. Montanaro, Representative Benson, Representative Trillo, Mr. Shuster, Mr. Miller and Ms. Green.

Voting against the foregoing were: None.

3. FOR APPROVAL OF BROOKS PHARMACY PROJECT

Attorney Stolzman explained that since his office, Adler Pollock & Sheehan P.C., represents Brooks Pharmacy ("Brooks") in its corporate matters, the EDC hired Attorney John Boehnert, of Partridge Snow & Hahn, to represent it in this matter. Mr. Stolzman also introduced Attorney Beth Noonan, who represents Brooks on behalf of Adler Pollock & Sheehan, along with Mr. Kenneth Spader, a senior executive of Brooks, and Mr. Ronald Slovak, from the financial department of Brooks.

Mr. Stolzman noted that Brooks owns a large chain of pharmacies, the number of which has recently increased substantially after its acquisition of over 1,400 Eckerd drug stores. He explained that Brooks, which currently houses its corporate offices on Service Road in Warwick, is seeking to expand and build a new corporate headquarters in East Greenwich, which will lead to at least an additional 500 jobs in Rhode Island. Mr. Stolzman stated that the EDC has been working with Brooks for several months to accommodate its growth. He noted that when the new Brooks headquarters is completed, Rhode Island will be the home of the number 1 (CVS) and number 4 (Brooks) pharmacy chains in the country.

Mr. Stolzman explained that the resolution in the Board's packages differs slightly from the resolution mailed to the Board members prior to the meeting, noting that Brooks is conducting further analysis regarding taxes.

In response to an inquiry of Representative Trillo, Mr. McMahon explained that Brooks is asking for "Project Status" with the RIEDC.

Responding to an inquiry of Governor Carcieri, Mr. McMahon confirmed that the total cost of the headquarters project is estimated at \$22 million.

Responding to a question regarding what would happen to the existing headquarters in Warwick once the new headquarters is built, Mr. Spader explained that the Warwick facility will continue to be used for the company's IT center.

Upon motion duly made by Representative Trillo and seconded by Mr. Shuster, the following vote was adopted:

VOTED: See text of vote at **Exhibit A.**

Voting in favor of the foregoing were: Governor Carcieri, Mr. Montanaro, Representative Benson, Representative Trillo, Mr. Shuster, Mr. Miller and Ms. Green.

Voting against the foregoing were: None.

4. FOR QUONSET MATTERS.

a. For approval of lease amendment with Goodwin & Sons, d/b/a Seafreeze.

Mr. Geoffrey Grout, managing director of the Quonset Davisville Management Corporation, explained that Seafreeze, which currently leases waterfront property at the Davisville Piers, is seeking to lease adjacent land in order to accommodate a modest expansion of its facilities. The expansion, which will modify the way Seafreeze does business, rather than increase its employees, will allow Seafreeze to increase its freezer capacity. Additional acreage is necessary in order to meet certain requirements such as setback considerations.

In response to an inquiry of Representative Trillo, Mr. Grout explained that the current lease is for 20 years and will expire in 10 years, and further noted that the requested lease amendment will piggyback, rather than add to, the existing lease.

Representative Trillo, noting that the parcel is not insignificant, asked if this use is consistent with the Master Plan, to which Mr. Grout explained that the Master Plan included Seafreeze at its current location.

Mr. McMahon noted that Seafreeze is a perfect example of a very well-managed company, on the cutting edge of its industry.

Representative Trillo expressed his concern with tying up this specific property.

Upon motion duly made by Mr. Shuster and seconded by Representative Benson, the following vote was adopted:

VOTED: See text of vote at **Exhibit B.**

Voting in favor of the foregoing were: Governor Carcieri, Mr. Montanaro, Representative Benson, Representative Trillo, Mr. Shuster, Mr. Miller and Ms. Green.

Voting against the foregoing were: None.

b. For approval of sale of land to Marrinan Realty, LLC.

Mr. Grout first noted a correction in the information provided to the Board members regarding this matter, by pointing out that the Real Estate Transaction Information should indicate 18 (not 35) FTEs x \$400.00 x 10 years, for a Job Creation/Retention Credit of \$72,000 (not \$140,000).

Mr. Grout explained that Marrinan Realty, LLC is presently located in the so-called "casino area" of West Warwick and is seeking to relocate to Davisville. The company assembles and distributes logo marketing materials, and plans to build a new corporate headquarters on the land it is seeking to purchase in Davisville. Mr. Grout

further explained that the company plans to grow from 18 employees to 35 employees over a 10 year period.

Mr. Grout stated that the QDMC Board approved the company's request except as to the plans for the office building. He noted that the site plan, landscaping plan and distribution center plans are all acceptable, but that the plans for the office building were not acceptable. In response to an inquiry of Governor Carcieri, Mr. Grout explained that the appearance of the office building, as originally presented, is not appealing.

Upon inquiry of Representative Benson regarding the small size of the lot (1.9 acres), Mr. Grout noted that the proposal fits in with the Master Plan, which calls for accommodating both large and small businesses.

Mr. Montanaro noted that the average annual salary of current employees is \$63,000, and asked what the average salary of the additional jobs will be, to which Mr. Grout replied that he expects that it will be a mix of salary ranges, but he does not have that information at this time.

In response to a question of Ms. Green as to the nature of the business, Mr. Grout explained that the company puts together and distributes high end corporate identification logo merchandise, with a minimum amount of actual manufacturing.

Representative wanted to know what the EDC is doing in the way of assisting this transaction, to which Mr. Grout explained that the purchase price is \$228,000, of which the EDC will receive cash and a note for approximately \$72,000, which would be a second mortgage. If the company is able to complete its goal of 35 FTE's, it will be allowed job retention credits. Mr. Grout explained further that the combination of the asking price and economic incentives links both the EDC's objectives as well as QDMC's objectives, the linkage being jobs creation.

In response to an inquiry of Governor Carcieri, Mr. Grout stated that the company will finance 100% of the building.

Mr. Stolzman explained further that what is being offered is similar to what was negotiated for Rhode Island Novelty, that is, if the company does not fulfill its commitment to create 35 FTEs, then the EDC can call the note; if the company does fulfill its FTE commitment, then they will receive annual credits for the remainder of the note.

Representative Trillo noted his concern about the EDC holding a second mortgage.

In response to an inquiry of Representative Benson, Mr. Grout stated that this company has not been located at Quonset before.

Mr. McMahon stated that he had to recuse himself because a principal of the company is a good friend of his, but noted that this is a serious company with good, high end jobs.

Responding to a question of Mr. Miller, Mr. Grout stated that the company's enthusiasm for this proposal has not changed, and that its momentum continues to grow.

Upon motion duly made by Ms. Greene and Representative Trillo and seconded by Representative Benson, the following vote was adopted:

VOTED: See text of vote at **Exhibit C.**

Voting in favor of the foregoing were: Governor Carcieri, Mr. Montanaro, Representative Benson, Representative Trillo, Mr. Shuster, Mr. Miller and Ms. Green.

Voting against the foregoing were: None.

5. EXECUTIVE DIRECTOR'S REPORT.

Mr. McMahon asked Mr. Louis Soares to provide an update on the "Every Company Counts" program.

Mr. Soares reported that he conducted an impromptu analysis of incoming calls between April and June of this year, to determine what type of help businesses were seeking from the EDC. Out of 90 calls, Mr. Soares determined that 35% were for real estate/expansion, 30% were for assistance with financing, 20% were for faux financing, and the remaining 15% were for general information. He noted further that where it would usually take a business 3 to 4 calls to get the information they needed, the "Every Company Counts" program is enabling businesses to make one phone call to find out where to go for further assistance. Furthermore, Mr. Soares explained that the Every Company Counts program is designed to track and follow up on calls it receives, and that the program is scheduled to launch its "800" number on September 5.

Mr. Soares provided examples of how the Every Company Counts program has helped local businesses in the recent past. In one instance, a company known as Cast Crete was looking for real estate in the northern part of the State, and the EDC reached out to cities and towns in that area to determine what was available. This approach produced a number of opportunities for the company's consideration in a short period of time.

Another company, New Territories, a logistics coordinator for the publishing industry, was looking for financing, and yet another company, D & B Machinery, was looking for marketing research, and in both cases the EDC was able to point them in the right direction to satisfy their needs.

Mr. McMahon then asked Mr. Stolzman to provide an update on the Hexagon matter. Mr. Stolzman reminded the Board that the EDC has been trying to create an environment which would allow the EDC to finance a new building for Hexagon, an offshoot of the former Brown & Sharpe. The EDC wanted to issue a moral obligation bond with a high degree of commitment, but because a Kushner resolution was

required, legislative approval was necessary. The EDC worked persistently with the legislature on this matter during the last session, but the legislature had concerns about the structure of the debt and the costs of the project. The EDC and Hexagon continued to work out a mutually acceptable plan, resulting in a lease purchase which would leave \$1 to \$3 million debt at the end of the lease, at which time, if Hexagon either defaulted on its lease or did not purchase the building, the EDC would own a \$13 million multi-use building which it could sell or lease to another company, with a maximum of \$3 million of debt. Mr. Stolzman explained that although the EDC considered this plan to be of low risk, the legislature still had concerns.

Mr. Stolzman explained that, although the EDC worked with the legislature until the last minute, a resolution could not be achieved before the end of the session. Certain members of the legislature, including Senator Alves, Representative Costantino, House Majority Leader Fox and other legislative staff members, along with Richard Reed and Mr. Stolzman, continued to meet after the session ended and continue to work to come up with a mutually acceptable plan.

In the meantime, explained Mr. Stolzman, Hexagon has time constraints and needs to know one way or the other if the plan at Quonset will work or if they need to begin looking elsewhere, including outside of Rhode Island, for a new location.

In response to a question of Governor Carcieri, Mr. Stolzman stated that the big issue is that the EDC would be indebted on a loan for 20 years, but Hexagon will only commit to a 15 year lease. Upon request of Director McMahon, Mr. Reed noted that he met with company representatives this past weekend and that Hexagon's interest is waning, and they have started to look elsewhere, including outside of Rhode Island, for a location.

Responding to Governor Carcieri's inquiry as to how this would get done, Mr. Stolzman responded that the procedure would to obtain Kushner approval would be, 1) finalize a contract acceptable to both sides, 2) secure a promise from the legislature that the matter would be voted on immediately upon the opening of the next session and 3) publicly announce the plan. If all went as planned, building would commence by January 2005.

Governor Carcieri noted that it is a terrible shame not to be able to help this company, which has been in Rhode Island for over 100 years, employing 247 – 300 people, stay in Rhode Island.

Representative Trillo asked if there was anything else to be done, to which Mr. McMahon stated that the EDC is not giving up, and that it is currently looking to private financing.

Mr. Reed stated that the EDC has no control over any offers the company may receive from other states.

Upon motion duly made by Mr. Montanaro and seconded by Mr. Shuster, the following vote was adopted:

VOTED: To approve the Minutes of the Executive Session of the Meeting held on July 26, 2004, as presented to the Board this date.

Voting in favor of the foregoing were: Governor Carcieri, Mr. Montanaro, Representative Benson, Representative Trillo, Mr. Shuster, Mr. Miller and Ms. Green.

Voting against the foregoing were: None.

There being no further business in Public Session the meeting was adjourned at 4:50 p.m., upon motion by Mr. Shuster and seconded by Representative Benson.


Robert I. Stolzman, Secretary

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**RESOLUTIONS OF THE BOARD OF DIRECTORS OF
THE RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION**

August 23, 2004

(With respect to Brooks Pharmacy Project)

VOTED: That the Rhode Island Economic Development Corporation (the "Corporation") acting by and through its Chairman, Vice Chairman, Executive Director, Deputy Director or Secretary, each of them acting singularly and alone (the "Authorized Officers"), is hereby authorized to enter into those certain agreements with The Jean Coutu Group d/b/a Brooks Pharmacy and/or its affiliates ("Brooks"), pursuant to which Brooks shall expand its corporate headquarters in Rhode Island and locate at least five hundred (500) new employees to Rhode Island and maintain those employees in this state for a period of at least ten (10) years (the "Project").

VOTED: That the Corporation is authorized and empowered to enter into economic development agreements, contracts, certificates, covenants, or other documents as deemed necessary and appropriate by the Authorized Officers to effectuate the Project or to otherwise facilitate the Project.

VOTED: That with respect to the Project the Corporation hereby makes, acknowledges, determines and finds that:

1. The acquisition, construction and operation of the Project will prevent, eliminate, reduce unemployment in the State of Rhode Island and will generally benefit the economic development of the State of Rhode Island;
2. Adequate provision has been made or will be made for the payment of the cost of the acquisition, operation and maintenance and upkeep of the Project;
3. With respect to real property forming a portion of the Project, the plans assure adequate light, air, sanitation and fire protection;
4. The provisions of Chapter 46-23 of the General Laws of Rhode Island, 1956, as amended, are not applicable;
5. The Project is in conformity with the applicable provisions of the State guide plan.
6. The Corporation confirms for the purposes of the exemption from taxation and assessments upon or with respect to the Project and Section 42-64-20 of the Rhode Island General Laws, 1956, as amended, that the use of such tax

EXHIBIT

A

exemption for the Project by Brooks, or any subsidiary, subtenant or affiliate thereof is in the best interest of the Corporation and further determines hereby that it may not hold title to all or a portion of the Project and that the Project is a "project" of the Corporation pursuant to R.I.G.L. §42-64-3(p) and that it is in the best interest of the Corporation and the Project that legal title be held by a lessee or sublessee of the Corporation.

7. The Corporation determines and confirms that the Project shall be exempt from taxation to the same extent as if legal title to such portions of the Project which are not owned or held in the name of the Corporation were in fact owned or held in such manner and such exemption from taxation shall be for a term not to exceed twenty (20) years commencing as of the date hereof; and

8. All such findings, determinations, acknowledgments and positions of the Corporation with respect to the Project are based upon and made in order to reduce potential liability or cost to the Corporation and to benefit the people of the State of Rhode Island.

VOTED: That the Corporation, based on appropriate data and documentation, is authorized and empowered to prepare and publicly release an analysis of the impact the Project may have on:

- (A) the industry or industries in which the completed project will be involved;
- (B) state fiscal matters, including the state budget (revenues and expenses);
- (C) the financial exposure of the taxpayers of the state under the plans for the Project and negative foreseeable contingencies that may arise therefrom;
- (D) the approximate number of jobs projected to be created, construction and non-construction;
- (E) identification of geographic sources of the staffing for identified jobs;
- (F) the projected duration of the identified construction jobs;
- (G) the approximate wage rates for the identified jobs;
- (H) the types of fringe benefits to be provided with the identified jobs, including health care benefits and any retirement benefits;
- (I) the projected fiscal impact on increased personal income taxes to the State of Rhode Island; and
- (J) the description of any plan or process intended to stimulate hiring from the host community, training of employees or potential employees and outreach to minority job applicants and minority businesses.

VOTED: That the Project documents authorized hereby are necessary, desirable and in the best interest of the Corporation with respect to the furtherance of the Project, and, as such, each of the Authorized Officers is hereby directed, authorized and empowered to arrange for, secure, prepare or cause to be prepared, execute, perform and deliver in the name and on behalf of the Corporation the Project documents and/or all related and ancillary agreements and documents in connection with the Project including but not limited to any and all deeds, leases, agreements, transfer agreements, assumption agreements, promissory notes, trusts, indentures, financing statements, assignments of leases and rents, declarations, modifications, renewals, variations thereof, deeds, easements, licenses, all upon such terms and conditions and with such changes, additions, deletions, supplements and amendments thereto as the Authorized Officer executing or authorizing the use of the same shall determine to be necessary, desirable and appropriate and in the best interest of the Corporation.

VOTED: That with respect to the Project and the Project documents, any and all actions taken by the Corporation in furtherance of such Project and Project documents, taken at any time prior to the effective date hereof, such actions be and they hereby are, authorized, ratified, confirmed and approved.

VOTED: In connection with any and/or all of the above resolutions, the taking of any action, the execution and delivery of any instrument, document or agreement by any of the Authorized Officers, or the execution and delivery of any statement by the Chairman or Vice Chairman of the Corporation in connection with the implementation of the Project and the Project documents, or the implementation of any or all of the foregoing resolutions shall be conclusive of such Authorized Officer's or Chairman's or Vice Chairman's determination that the same was necessary, desirable and appropriate and in the best interest of the Corporation.

VOTED: That the Authorized Officers of the Corporation be, and each of them hereby is, authorized, empowered, and directed in the name and on behalf of the Corporation, each of them acting singularly and alone, to take or cause to be taken all such actions, pay such fees and expenses, and sign, execute, verify, acknowledge, certify to, file and deliver all such instruments, documents and agreements as such Authorized Officers, each of them acting singularly and alone, taking or causing such action to be taken determines to be necessary, desirable and appropriate and in the best interest of the Corporation in order to comply with and otherwise effect the intent of the foregoing resolutions.

VOTED: That the Secretary of the Corporation is hereby authorized, empowered and directed to attest to the execution and delivery of any agreement, document or other instrument contemplated by any of the foregoing resolutions or as directed by either or all of the Authorized Officers.

Draft 8/17/2004

RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION ECONOMIC IMPACT ANALYSIS OF BROOKS CORPORATE HEADQUARTERS EXPANSION PROJECT PURSUANT TO R.I.G.L. § 42-64-10(a)(2)

As required by §42-64-10(a)(2) of the Rhode Island General Laws, the Rhode Island Economic Development Corporation ("EDC") has prepared the following economic impact analysis of the Corporate Headquarters Expansion ("Headquarters Project") of Brooks Pharmacy in East Greenwich, Rhode Island.

Brooks Pharmacy is a wholly-owned subsidiary of The Jean Coutu Group (PJC), the second-largest drugstore operator in Canada. Brooks Pharmacy will move its operations from Warwick to East Greenwich and build a new corporate headquarters. The planned move is designed to accommodate the company's acquisition of part of the Eckerd drug store chain. With the Eckerd acquisition, Brooks now operates about 1,800 stores in the United States. The expansion is expected to add 500 new jobs in Rhode Island in the next few years. The new hires would help manage the 15-hundred Eckerd stores and six distribution centers purchased earlier this year.

Brooks currently employs about 250 people at its Rhode Island headquarters. The company plans to add 500 new jobs with a total annual payroll of \$24,212,500 at the new headquarters. It is estimated that the direct jobs to be added by Brooks will generate \$1,114,478 in Rhode Island personal income tax annually.

The Rhode Island Economic Development Corporation, "EDC" will assist the Brooks Expansion with the granting of "Project Status." Total construction costs for the headquarters project are estimated at \$22.2 million, including \$9,550,200 in materials. In addition, expenditures on computers, equipment, furniture and fixtures will total \$3.5 million. It is estimated that the total value of this exemption from state sales tax will be \$913,514.

Rhode Island Personal Income Tax Revenue Estimate for Brooks Expansion						
	Jobs	Average Salary	Total Annual Payroll	Income Tax Y1	Income Tax Y2	Income Tax Y3
Direct Jobs	30	\$150,000	\$4,500,000	\$185,618	\$185,618	\$185,618
Direct Jobs	51	\$87,500	\$4,462,500	\$138,194	\$138,194	\$138,194
Direct Jobs	78	\$62,500	\$4,875,000	\$113,724	\$113,724	\$113,724
Direct Jobs	51	\$45,000	\$2,295,000	\$515,253	\$515,253	\$515,253
Direct Jobs	98	\$35,000	\$3,430,000	\$71,344	\$71,344	\$71,344
Direct Jobs	177	\$25,000	\$4,425,000	\$88,500	\$88,500	\$88,500
Direct Jobs	15	\$15,000	\$ 225,000	\$1,845	\$1,845	\$1,845
Total Direct Jobs	500		\$24,212,500	\$1,114,478	\$1,114,478	\$1,114,478
Construction Employment			\$12,649,800	\$790,613		

Draft 8/17/2004

Indirect Jobs	362	\$46,124	\$16,696,940	\$414,433	\$414,433	\$414,433
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The total Project cost for the new facility is estimated at \$22,200,000. Construction payroll costs are expected to be \$12,649,800. The construction jobs will generate an estimated \$790,613 in Rhode Island personal income tax.

Indirect jobs resulting from the project are expected to generate \$414,433 annually in Rhode Island personal income tax revenue. For purpose of this analysis, we have calculated only income tax revenues from direct and indirect and construction jobs created. Other significant positive economic impacts will be created by this project in terms of local property tax payments.

Assumptions and Methods

Rhode Island Personal Income Tax

Direct jobs: For each worker earning \$50,000 or more, these estimates are calculated based on a married individual, with three exemptions, taking the average itemized deduction nationwide for filers with similar AGI. The deduction data is from the *IRS Statistics of Income Bulletin*. Calculations of taxes for individuals with income between 30,000 and 49,999 are based on married individual with two exemptions taking the standard deduction. Calculations of taxes for individuals with income of less than \$30,000 annually are based on an individual with 1.5 exemptions taking the standard deduction.

Jobs Resulting from Significant Construction Activity: Using average wage rates for work crews based on Means Construction data, the added construction income would be taxed at the 25% federal level. The federal tax figure is then multiplied by the prevailing state piggyback tax rate to generate an estimate of tax revenue from construction.

E.g.: Total construction payroll is estimated at \$12,649,800. Using average wage rates for work crews, the added income would be taxed at the 25% federal level generating an additional \$3,162,450 in federal taxes and \$790,613 in State piggyback taxes.

Indirect jobs: These estimates are based on average annual payments of \$1,145 in state income tax for each worker earning \$46,124. These figures are calculated based on an individual, with an average of 2 exemptions, taking the standard deduction.

Indirect Jobs

The estimates of indirect jobs follow the RIMS II model: U.S. Department of Commerce. Bureau of Economic Analysis. *Regional Multipliers: A User Handbook for the Regional Input-Output Modeling System (RIMS II)*. March 1997.

Total employment for Management services by 1.7239 equals the predicted employment resulting from direct and indirect jobs using the Rhode Island employment multiplier published by the Bureau of Economic Analysis. Total earnings for Management services jobs multiplied by 1.6896 equals the predicted earnings resulting from direct and indirect jobs using the Rhode Island earnings multiplier published by the Bureau of Economic Analysis. Subtracting out the earnings from direct jobs and the direct jobs from total jobs, we arrive at the total indirect jobs and earnings. Dividing the total indirect earnings by the total indirect jobs results in the average earnings for indirect jobs.

**RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE RHODE ISLAND
ECONOMIC DEVELOPMENT CORPORATION**

Dated: August 23, 2004

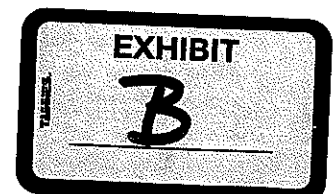
(With Respect to Goodwin & Sons – Seafreeze Lease Amendment)

RESOLVED: That the Rhode Island Economic Development Corporation (the "Corporation"), acting by and through its Chairman, Executive Director, Deputy Director or Managing Director – Quonset, each of them acting singularly and alone (the "Authorized Officers") is hereby authorized and empowered to enter into a Lease Amendment with Goodwin & Sons (d/b/a Seafreeze) with respect to the property located at the Davisville Piers at the Quonset Davisville Port and Commerce Park pursuant to terms and conditions presented to the Board of Directors this date, such Lease Amendment hereinafter being referred to as the "Agreement".

VOTED: That any and all actions taken by any of the Authorized Officers in furtherance of the Agreement at any time prior to the effective date hereof, be, and they hereby are, authorized, ratified, confirmed and approved.

VOTED: That each of the Authorized Officers, acting singularly and alone, be and each of them hereby is authorized, empowered and directed to effectuate the intent of the foregoing resolutions by executing, delivering and performing any and all modifications, renewals, confirmations and variations of such Agreement as shall from time to time be requested of the Corporation or as any of the Authorized Officers acting singularly or alone shall deem necessary, desirable and without further specific action by this Board, and on behalf of the Corporation, such Authorized Officers are hereby authorized, empowered and directed to prepare or cause to be prepared and to execute, perform and deliver in the name and on behalf of the Corporation the Agreement and/or all related and ancillary agreements and documents in connection with the terms and conditions to be effectuated by the Agreement including, any and all agreements, contracts, certificates, statements, deeds, easements, licenses and assignments, upon such terms and conditions and with such changes, additions, deletions, supplements and amendments thereto as the Authorized Officer executing or authorizing the use of the same shall determine to be necessary, desirable and appropriate and in the best interest of the Corporation.

VOTED: That in connection with any and/or all of the above resolutions, the taking of any action, the execution and delivery of any instrument, document or agreement by any of the Authorized Officers in connection with the implementation of any or all of the foregoing resolutions shall be conclusive of



such Authorized Officer's determination that the same was necessary, desirable and appropriate and in the best interest of the Corporation.

VOTED: That any Secretary or Assistant Secretary of the Corporation be, and each of them hereby is, authorized, empowered and directed to attest to the execution and delivery of any agreement, document or other instrument contemplated by any of the foregoing resolutions or as directed by any Authorized Officer.

Quonset Point Real Estate Transaction Briefing

Date: August 16, 2004
To: Board of Directors
Quonset Davisville Management Corporation
From: Evan Matthews, Director, Real Estate Development, QDMC
RE: **Recommendation on Lease Amendment with Goodwin & Sons (aka Seafreeze)**

Transaction Description:

Company Name: Goodwin & Sons

Company Location: 100 Davisville Pier – Waterfront Development District

Summary: Goodwin & Sons maintains a cold/dry packing and storage facility for its seafood products that are unloaded at the Davisville Piers bulkhead. The company located in the Davisville Waterfront district in 1985, occupying 1.55 acres for the purpose of unloading fresh and frozen fish from its two vessels. In 1994, the company leased an additional 1.88 acres and constructed a packing and storage facility, and in 1996, the company acquired an additional 1.7 acres and built an addition to their facility, thus bringing Goodwin & Sons total land usage to 5.13 acres. The company also leases the 500 linear foot bulkhead between Davisville Piers 1 and 2.

The company is proposing a 42,000 s.f. freezer expansion. The expansion requires the acquisition of an additional 0.82 acres to the south of their existing leasehold, as well as a 0.32-acre easement to the north.

Master Plan Consistency:

Land Use: Port-Related Seafood Transporting and Processing
Conforms to district recommendations.
Employment: 60 FTEs (60 FTEs/6.27 acres = 9 jobs/acre)
District recommendation: 10 jobs/acre.

Real Estate Transaction Information:

Parcel Size	0.82 acres	35,964 SF
Building Size	N/A	42,000 SF
Rent:	Yr. 1	\$0.50/SF
	Yrs. 2 – 15	\$ 17,982
		3% increase from previous year
Economic Development Incentives:	None	
Basis:	N/A	

Project Financing:

Private capital:	100%	Federal or state funds:	0%
Loans and revenues:	0%	EDC Financing:	0%

Employment, Wages, & Taxes:

Direct employment of the project:	
1. Construction phase:	N/A
2. Short term (start up):	N/A
3. Long term:	60 FT
Projected Annual Payroll:	Unknown
Annual State Taxes:	Unknown
Payment in Lieu of Taxes (PILOT)	

Design Review: Approved by Committee



Rhode Island
Economic Development
Corporation

Quonset
Development Corporation

CONSTRUCTION SERVICES
20 ENTERPRISE DRIVE NORTH KINGSTOWN, RI
TEL 401-335-0044 FAX 401-335-0045

NOTES:

1. ALL INFORMATION ON THIS PLAN IS SUBJECT TO THE USER'S FIELD VERIFICATION. THE FILED, DOES NOT CONSTITUTE A GUARANTEE OF THE INFORMATION CONTAINED ON THIS PLAN.
2. UTILITIES SHOWN TO PARCELS SUBJECT TO QUONSET DRAINAGE ACCESS AND SERVICES AGREEMENT.
3. UTILITIES PLOTTED FROM BEST AVAILABLE INFORMATION AND SUBJECT TO FIELD VERIFICATION.
4. ALL ELEVATIONS AT MEAN LOW WATER M.L.W.

NO.	PERSON	DATE	APP.
DESIGN BY	CHIEF OF		
DRAWN BY	AS		
CHECKED BY	ENGINEER		
SCALE	1"=40'	PROJECT NO.	
CONTRACT NO.			
FILE NAME			
APPROVED			
REVIEWED, "ORDER OF CONSTRUCTION" MARKS			
PAGE 3-11-00			
DRAWING TITLE			

LEASE AREA
GOODWIN & SONS

2004

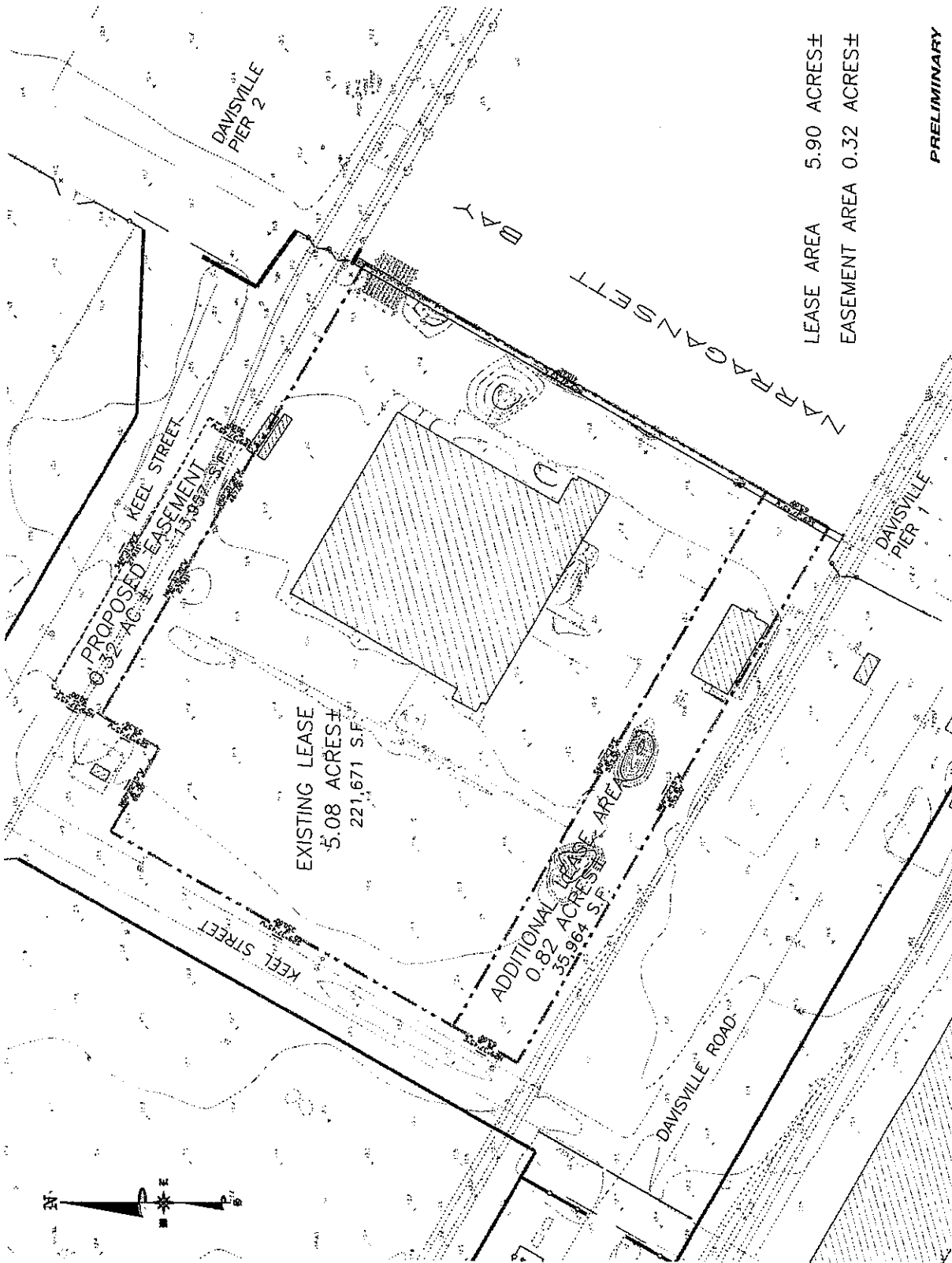
DAVISVILLE PIER AREA

QUONSET DAVISVILLE PORT
AND COMMERCE PARK

SHEET NO.

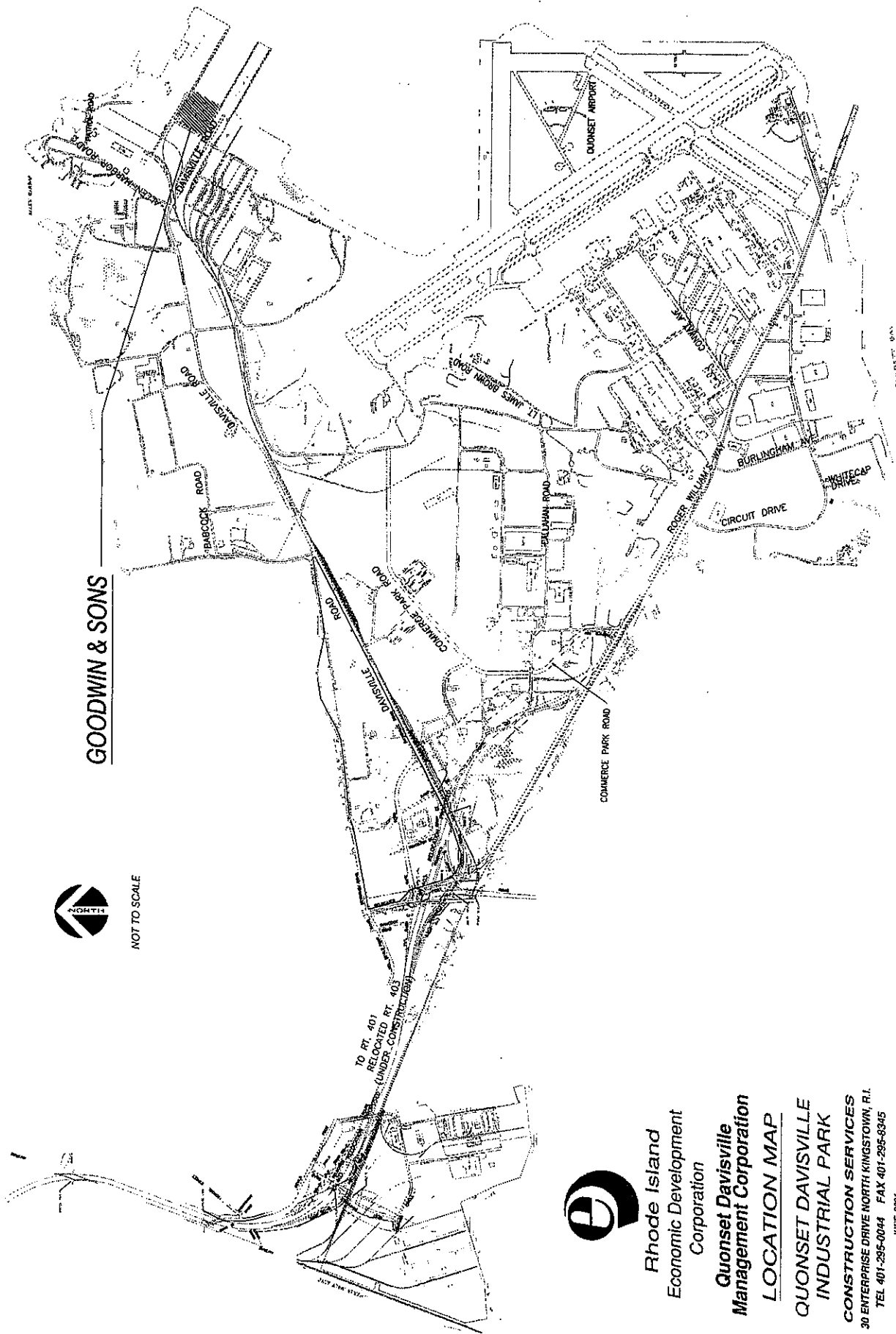
DRAWING NO.

OF SHEETS



LEASE AREA 5.90 ACRES ±
EASEMENT AREA 0.32 ACRES ±

PRELIMINARY



GOODWIN & SONS



NOT TO SCALE



**Rhode Island
Economic Development
Corporation
Quonset Davisville
Management Corporation
LOCATION MAP**

**QUONSET DAVISVILLE
INDUSTRIAL PARK**

CONSTRUCTION SERVICES
30 ENTERPRISE DRIVE NORTH KINGSTOWN, R.I.
TEL 401-295-0044 FAX 401-295-6345

JUNE 2004

**RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE RHODE ISLAND
ECONOMIC DEVELOPMENT CORPORATION**

Dated: August 23, 2004

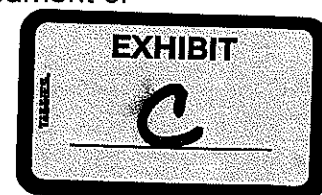
(With Respect to Marrinan Realty, LLC)

RESOLVED: That the Rhode Island Economic Development Corporation (the "Corporation") acting by and through its Chairman, Executive Director, Deputy Director or Managing Director - Quonset Division, each of them acting singularly or alone (the "Authorized Officers") is hereby authorized to enter into agreements and consummate the sale of approximately 1.9 acres of land at the Quonset Davisville Port and Commerce Park to Marrinan Realty, LLC pursuant to the terms and conditions presented to the Board of Directors this date, such agreements hereinafter being referred to as the "Agreement"; subject to design review approval.

VOTED: That any and all actions taken by any of the Authorized Officers in furtherance of the Agreement at any time prior to the effective date hereof, be, and they hereby are, authorized, ratified, confirmed and approved.

VOTED: That each of the Authorized Officers, acting singularly and alone, be and each of them hereby is authorized, empowered and directed to effectuate the intent of the foregoing resolutions by executing, delivering and performing any and all modifications, renewals, confirmations and variations of such Agreement as shall from time to time be requested of the Corporation or as any of the Authorized Officers acting singularly or alone shall deem necessary, desirable and without further specific action by this Board, and on behalf of the Corporation, such Authorized Officers are hereby authorized, empowered and directed to prepare or cause to be prepared and to execute, perform and deliver in the name and on behalf of the Corporation the Agreement and/or all related and ancillary agreements and documents in connection with the terms and conditions to be effectuated by the Agreement including, any and all agreements, contracts, certificates, statements, deeds, easements, licenses and assignments, upon such terms and conditions and with such changes, additions, deletions, supplements and amendments thereto as the Authorized Officer executing or authorizing the use of the same shall determine to be necessary, desirable and appropriate and in the best interest of the Corporation.

VOTED: That in connection with any and/or all of the above resolutions, the taking of any action, the execution and delivery of any instrument, document or



agreement by any of the Authorized Officers in connection with the implementation of any or all of the foregoing resolutions shall be conclusive of such Authorized Officer's determination that the same was necessary, desirable and appropriate and in the best interest of the Corporation.

VOTED: That any Secretary or Assistant Secretary of the Corporation be, and each of them hereby is, authorized, empowered and directed to attest to the execution and delivery of any agreement, document or other instrument contemplated by any of the foregoing resolutions or as directed by any Authorized Officer.

Quonset Point Real Estate Transaction Briefing

Date: August 16, 2004
To: Board of Directors
Quonset Davisville Management Corporation
From: Evan Matthews, Director, Real Estate Development, QDMC
RE: Recommendation on Purchase of land by Marrinan Realty

Transaction Description:

Company Name: Marrinan Realty, LLC

Company Location: 1 Lacroix Drive, West Warwick

Summary: Marrinan Realty, LLC has executed an option to purchase Lot 13 in the West Davisville District to construct a 15,250 SF building to be occupied by the Marrinan Group. Staff would like a recommendation to seek authorization from the Economic Development Corporation to enter into a purchase and sales agreement with the Marrinan Group.

The Marrinan Group began operations as Jardine Associates approximately twenty-five years ago and currently consists of the following five Divisions: Jardine Associates, J&A Corporate, J&S Military, J&A Golf & Resort, J&A Gift & Souvenir.

The Marrinan Group is currently leasing space at 1 Lacroix Drive in the West Warwick Industrial Park. This project will enable The Marrinan Group to construct a facility that meets company growth projections and relieves company anxiety upon the status of the West Warwick site in light of a possible casino in that area. Upon project completion the company will employ 18 at the site.

Master Plan Consistency:

Land Use: Value added distribution / Conforms to district recommendations.
Employment: Current 18 FTEs; Projected 35 FTEs
District recommendation: 11 jobs per acre.

Real Estate Transaction Information:

Parcel Size	1.9-acres	82,764 SF
Building Size (post construction)		15,250 SF
Purchase Price	\$228,000.00	\$120,000.00 per acre
Job Credit	\$400.00	Ten Year Term
Economic Development Incentives:	25 FTEs X \$400.00 X 10 years	\$140,000.00 = Job Creation/Retention credit
Basis:	Job Creation/Retention	

Project Financing:

Private capital:	100%	Federal or state funds:	0%
Loans and revenues:	0%	EDC Financing:	0%

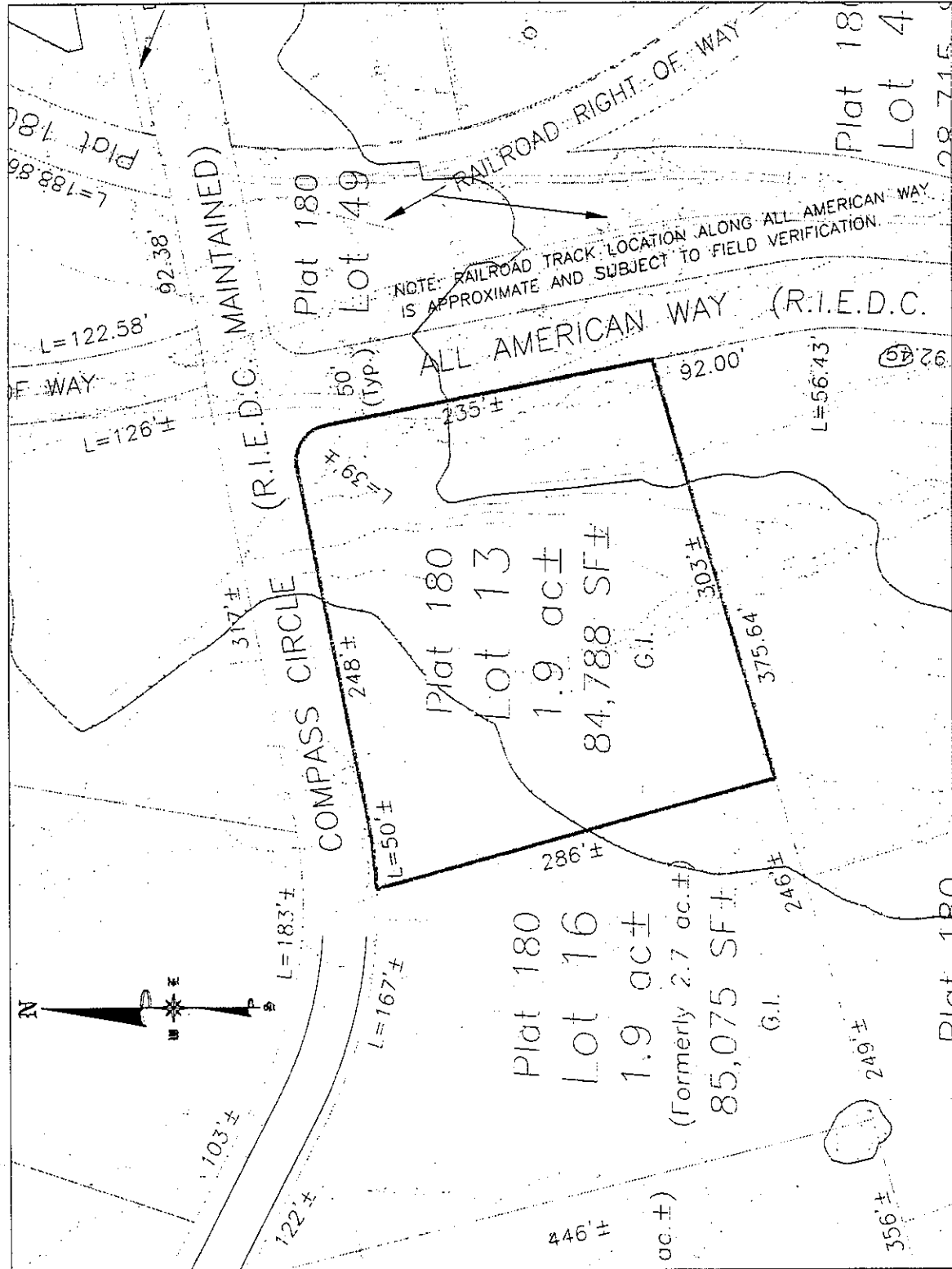
Employment, Wages, & Taxes:

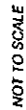
Direct employment of the project:		
1. Construction phase:	Unknown	
2. Short term (start up):	18	9 jobs/AC
3. Long term:	35 FT	13 jobs/AC
Projected Annual Payroll:	\$1,147,000.00	Avg salary = \$63,722.22
Annual State Taxes:	\$34,410.00	
Local Property Taxes	New Construction – land only	\$3278.64

Design Review:

The Marrinan Group has presented their required materials to the Design Review Committee. However, the Committee made several recommendations to modify the design of the building and site plan.

Therefore, staff seeks authorization on this transaction, subject to the approval of the Design Review Committee.





THE MARRINAN GROUP

TO RI 401
RECORDED RI 403
UNDER CONSTRUCTION



**Rhode Island
Economic Development
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APRIL 2004